WISCONSIN LEGISLATIVE COUNCIL STAFF

RULES CLEARINGHOUSE

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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 00-024

AN ORDER to amend DWD 290.155, relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects.

Submitted by **DEPARTMENT OF WORKFORCE DEVELOPMENT**

02-02-00

RECEIVED BY LEGISLATIVE COUNCIL.

02-18-00

REPORT SENT TO AGENCY.

RNS:DF:jal

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below: STATUTORY AUTHORITY [s. 227.15 (2) (a)] NO 🖊 YES Comment Attached FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)] NO 🖊 YES Comment Attached CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)] NO / YES Comment Attached ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS [s. 227.15 (2) (e)] YES Comment Attached 5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)] Comment Attached POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL REGULATIONS [s. 227.15 (2) (g)] NO / YES Comment Attached COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)] YES Comment Attached





NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that pursuant to ss. 66.293(5) and 103.49(3g), Stats., the Department of Workforce Development proposes to hold a public hearing to consider the amendment of s. DWD 290.155, relating to the Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects.

Hearing Information

February 28, 2000

Monday 1:30 p.m.

MADISON

G.E.F. 1 Building, Room 400X

201 E. Washington Avenue

Interested persons are invited to appear at the hearings and will be afforded the opportunity to make an oral presentation of their positions. Persons making oral presentations are requested to submit their facts, views, and suggested rewording in writing.

An accessible entrance to the building is available via a ramp from the corner of Washington Avenue and Webster Street to the Webster Street door. If you have special needs or circumstances that may make communication or accessibility difficult at the hearing, please call (608) 267-9403 at least 10 days prior to the hearing date. Accommodations such as ASL interpreters, English translators, or materials in audiotape format will be made available on request to the fullest extent possible.

Analysis Prepared by the Department of Workforce Development

The Wisconsin Department of Workforce Development proposes an order to amend s. DWD 290.155, relating to the Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects.

Authority for rule: secs. 66.293(5) and 103.49(3g), Stats.

Statutes interpreted: secs. 66.293(5) and 103.49(3g), Stats.

The state prevailing wage laws require that when a state agency or local governmental unit constructs a public works project, it must obtain a prevailing wage rate determination from the Department of Workforce Development and require that the contractors and subcontractors on the project pay their employes in accordance with those wage rates. Under secs. 66.293(5) and 103.49(3g), Stats., and the current s. DWD 290.155, the state prevailing wage rate laws do not apply to any "single-trade public works project" (a project involving the employment of only one trade) whose estimated cost is below \$33,000, and it does not apply to any "multi-trade public works project" whose estimated cost is below \$164,000.

Under secs. 66.293(5) and 103.49(3g), Stats., and DWD 290.15, the Department is required to adjust the dollar amounts of the thresholds each year in proportion to any change in construction costs since the thresholds were last determined. The proposed rule changes the thresholds to \$34,000 for single-trade projects and \$168,000 for multi-trade projects based on a 2.3% increase in the construction cost index between December 1998 and December 1999.

Rule Text

SECTION 1. DWD 290.155 is amended to read:

DWD 290.155 This chapter does not apply to any single-trade public works project for which the estimated cost of completion is below \$33,000 \$34,000, and any multi-trade public works project for which the estimated cost of completion is below \$164,000 \$168,000.

SECTION 2. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s.227.22(2)(intro.), Stats.

Initial Regulatory Flexibility Analysis

The proposed rule does not affect small business.

Fiscal Impact

Under the proposed rule, a state or local government with a public works project that costs more than \$33,000 but less than \$34,000 for a single-trade project or more than \$164,000 but less than \$168,000 for a multi-trade project will not be covered by the prevailing wage requirement.

Contact Information

For substantive questions concerning the proposed rule, call Patricia Hewitt, Construction Wage Standards Section Chief, at (608) 266-6469.

Written Comments

Written comments on the proposed rules received at the following address no later than March 3, 2000, will be given the same consideration as testimony presented at the hearing.

Elaine Pridgen
Office of Legal Counsel
Dept. of Workforce Development
P.O. Box 7946
Madison, WI 53707-7946
(608) 267-9403

Secretary or designee

2-1-00

Date -

Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects

The Wisconsin Department of Workforce Development proposes an order to amend DWD 290.155, relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects.

Analysis

Authority for rule: Secs. 66.293(5) and 103.49(3g), Stats.

Statutes interpreted: Secs. 66.293(5) and 103.49(3g), Stats.

The state prevailing wage laws require that, when a state agency or local governmental unit constructs a public works project, it must obtain a prevailing wage rate determination from the Department of Workforce Development and require that the contractors and subcontractors on the project pay their employes in accordance with those wage rates. Under secs. 66.293(5) and 103.49(3g), Stats., and the current s. DWD 290.155 the state prevailing wage rate laws do not apply to any "single-trade public works project" (a project involving the employment of only one trade) whose estimated cost is below \$33,000, and it does not apply to any "multi-trade public works project" whose estimated cost is below \$164,000.

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SECTION 2. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s.227.22(2)(intro.), Stats.

Rules Certificate

STATE OF WISCONSIN)	
)	SS
DEPARTMENT OF WORKFORCE DEVELOPMENT)	

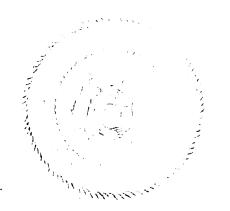
I further certify that this copy has been compared by me with the original on file in this department and that it is a true copy of the original, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the of the Department of Workforce Development at 201 E. Washington Avenue in the city of Madison, this 2/5± day of December 1999.

STATE OF WISCONSIN RECEIVED & FILED

DOUGLAS LA FOLLETTE SECRETARY OF STATE

Secretary or designee





Order Adopting Rules

Pursuant to authority vested in the Department of Workforce Development by sections 66.293(5) and 103.49(3g), Stats., the Department of Workforce Development amends rules of Wisconsin Administrative Code section DWD 290.155 relating to the Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects.

The attached rules shall take effect on January 1, 2000, pursuant to section 227.24, Stats.

Adopted at Madison, Wisconsin this

late: Beember 21, 1999

Department of Workforce Development

Secretary or designee

EMERGENCY RULE

Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects

The Wisconsin Department of Workforce Development proposes an order to amend DWD 290.155, relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects.

Finding of Emergency

The Department of Workforce Development finds that an emergency exists and that the attached rule is necessary for the immediate preservation of the public peace, health, safety, or welfare. A statement of facts constituting the emergency is:

The Department of Workforce Development is acting under its statutory authority to annually adjust thresholds for the application of prevailing wage laws on state or local public works projects. The thresholds are adjusted in accordance with any change in construction costs since the last adjustment. The last adjustment was by emergency rule in January 1999 based on construction costs in December 1998. The Department uses the construction cost index in the December issue of the *Engineering News-Record*, a national construction trade publication, to determine the change in construction costs over the previous year. The current construction cost index indicates a 2.3% increase in construction costs over the previous year. This increase in construction costs results in an increase in the threshold for application of the prevailing wage laws from \$33,000 to \$34,000 for single-trade projects and from \$164,000 to \$168,000 for multi-trade projects.

If these new thresholds are not put into effect by emergency rule, the old thresholds will remain effective for approximately six months, until the conclusion of the permanent rule-making process. Between January 1, 2000, and July 1, 2000, a single-trade project with a minimum estimated project cost of more than \$33,000 but less than \$34,000 or a multi-trade project with an estimated cost of more than \$164,000 but less than \$168,000 would not be exempt from the prevailing wage laws, as they would be if the emergency rule were promulgated. The threshold adjustments for application of the prevailing wage laws are based on national construction cost statistics and are unlikely to be

changed by the permanent rule-making process. The Department is proceeding with this emergency rule to avoid imposing an additional administrative burden on local governments and state agencies.

Analysis

Authority for rule: secs. 66.293(5) and 103.49(3g), Stats.

Statutes interpreted: secs. 66.293(5) and 103.49(3g), Stats.

The state prevailing wage laws require that, when a state agency or local governmental unit constructs a public works project, it must obtain a prevailing wage rate determination from the Department of Workforce Development and require that the contractors and subcontractors on the project pay their employes in accordance with those wage rates. Under secs. 66.293(5) and 103.49(3g), Stats., and the current s. DWD 290.155 the state prevailing wage rate laws do not apply to any "single-trade public works project" (a project involving the employment of only one trade) whose estimated cost is below \$33,000, and it does not apply to any "multi-trade public works project" whose estimated cost is below \$164,000.

Under secs. 66.293(5) and 103.49(3g), Stats., and DWD 290.15, the Department is required to adjust the dollar amounts of the thresholds each year, in proportion to any change in construction costs since the thresholds were last determined. The proposed rule changes the thresholds to \$34,000 for single-trade projects and \$168,000 for multi-trade projects, based on a 2.3% increase in the construction cost index between December 1998 and December 1999.

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SECTION 2. EFFECTIVE DATE. This rule shall take effect on January 1, 2000, as provided in s. 227.24(1)(d), Stats.

(End)

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ISCAL ESTIMATE WORKSHEET 1999 Session Detailed Estimate of Annual Fiscal Effect ☐ UPDATED **⊠** ORIGINAL LRB or Bill No./Adm. Rule No. Amendment No. DOA-2047 (R10/94) ☐ SUPPLEMENTAL ☐ CORRECTED DWD 290.155 Subject Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$0 II. **Annualized Costs:** Annualized Fiscal impact on State funds from: **Increased Costs Decreased Costs** A. State Costs by Category State Operations - Salaries and Fringes \$ FTE) (FTE Position Changes) FTE) State Operations - Other Costs Local Assistance Aids to Individuals or Organizations **TOTAL State Costs by Category** \$0 \$0-State Costs by Source of Funds **Increased Costs** Decreased Costs \$ \$ **GPR FED** PRO/PRS SEG/SEG-S State Revenues -Complete this only when proposal will increase or decrease Increased Rev. Decreased Rev. state revenues (e.g., tax increase, decrease in license fee, etc.) \$ \$ **GPR Taxes GPR Eamed FED** PRO/PRS SEG/SEG-S \$0 0-**TOTAL State Revenues NET ANNUALIZED FISCAL IMPACT STATE** LOCAL **NET CHANGE IN COSTS** \$0 see narrative

Agency/Prepared by: (Name & Phone No.) DWD/Elaine Pridgen

NET CHANGE IN REVENUES

Authorized Signature/Telephone No. 266-9427

\$0

Date /21/99

\$0

Tommy G. Thompson Governor Linda Stewart Secretary



State of Wisconsin

OFFICE OF THE SECRETARY

201 East Washington Avenue P.O. Box 7946 Madison, WI 53707-7946 Telephone: (608) 266-7552 Fax: (608) 266-1784

http://www.dwd.state.wi.us/

Department of Workforce Development

April <u>/8</u>, 2000

President of the Senate 220 South, State Capitol Madison, Wisconsin 53702 Speaker of the Assembly 211 West, State Capitol Madison, Wisconsin 53702

Notice of Administrative Rules in Final Draft Form

Clearinghouse rule number: 00-24

Rule number: s. DWD 290.155

Relating to: Annual adjustment of thresholds for application of the prevailing

wage rates for state or local public works projects

Dear Senator Risser and Representative Jensen:

I have enclosed proposed rules in final draft form and a rule report as required by s. 227.19(3), Stats., for referral to the appropriate legislative standing committees. If you have any questions regarding this matter, please do not hesitate to contact us.

Respectfully submitted, Linda Stawart

Linda Stewart, Ph.D.

Secretary

Tommy G. Thompson Governor

Linda Stewart Secretary



State of Wisconsin http:// Department of Workforce Development

OFFICE OF THE SECRETARY

201 East Washington Avenue P.O. Box 7946 Madison, WI 53707-7946 Telephone: (608) 266-7552

Fax: (608) 266-1784 http://www.dwd.state.wi.us/

Rule Analysis for Legislative Review

Proposed rule affecting s. DWD 290.155 relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects (CR 00-24)

Need for rules

Pursuant to ss. 66.293(5) and 103.49 (3g), Stats., and the current s. DWD 290.155, the state prevailing wage rate laws do not apply to any single-trade public works project with an estimated cost below \$33,000 or any multi-trade public works project with an estimated cost below \$164,000. DWD is required to adjust the dollar amounts of the thresholds each year in proportion to any change in construction costs since the thresholds were last determined. The proposed rule increases the thresholds to \$34,000 for single-trade projects and \$168,000 for multi-trade projects based on a 2.3% increase in the construction cost index between December 1998 and December 1999.

Public hearing

There were no public comments.

Legislative Council staff recommendations

There were no Legislative Council staff recommendations.

Final regulatory flexibility analysis

A final regulatory flexibility analysis is not required because the rule will not have a significant economic impact on a substantial number of small businesses.

Department contacts

Patricia Hewitt, Section Chief Construction Wage Standards Section 266-6469

Elaine Pridgen Administrative Rules Coordinator 267-9403

Annual Adjustment of Thresholds for Application of the Prevailing Wage Rates for State or Local Public Works Projects

The Wisconsin Department of Workforce Development proposes an order to amend DWD 290.155, relating to the annual adjustment of thresholds for application of the prevailing wage rates for state or local public works projects.

Analysis

Authority for rule: Secs. 66.293(5) and 103.49(3g), Stats.

Statutes interpreted: Secs. 66.293(5) and 103.49(3g), Stats.

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Rule Text

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SECTION 2. EFFECTIVE DATE. This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s.227.22(2)(intro.), Stats.

		1999 Session
☐ ORIGINAL ☐ UPD☐ CORRECTED ☐ SUPPLEMENTAL	ATED LRB or Bill No./Adm DWD 290.155	n. Rule No. Amendment No.
the Prevailing Wage Rates for S	state or Local Public Works Projects	
or State and/or Local Gove	rnment (do not include in anr	nualized fiscal effect):
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	EXI ORIGINAL UPD. CORRECTED SUPPLEMENTAL The Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and/or Local Government of the Prevailing Wage Rates for State and Wage Rates for Sta	EX ORIGINAL OPDATED SUPPLEMENTAL the Prevailing Wage Rates for State or Local Public Works Projects or State and/or Local Government (do not include in and Annualized Fis Increased Costs 10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

					1999 Session
	X	ORIGINAL	UPDATED		LRB or Bill No./Adm. Rule No. DWD 290.155
FISCAL ESTIMATE		CORRECTED	SUPPLEMENTA	.L	Amendment No. if Applicable
DOA-2048 N(R03/97)				· _	Americane No. II Applicable
Subject					
Annual Adjustment of Thresholds	for A	pplication of the Prev	ailing Wage Ra	ites for State	or Local Public Works
Projects					
Fiscal Effect			/		
State: 🗵 No State Fiscal Effect					
Check columns below only if bill mal	ces a	direct appropriation		☐ Increase	Costs - May be possible to Absorb
or affects a sum sufficient app	ropria	tion.		Within Ag	ency's Budget 🛘 Yes 🔲 No
☐ Increase Existing Appropriation		☐ Increase Existing R			
☐ Decrease Existing Appropriation		☐ Decrease Existing	Revenues	☐ Decrease	e Costs
☐ Create New Appropriation Local: ☑ No local government cos				1	
1. ☐ Increase Costs		3. Increase Revenue	_	1 6 5	fl
☐ Permissive ☐ Mandator		o. □ Increase Revenue □ Permissive	s □ Mandatory	I	of Local Governmental Units Affected:
2. Decrease Costs	1	4. Decrease Revenu	•	☐ Towns ☐ Counties	☐ Villages ☐ Cities
☑Permissive ☐ Mandator	1	□ Permissive	☐ Mandatory	☐ School Dis	☐ Others stricts ☐ WTCS Districts
Fund Sources Affected		D ₃ cimiosivo	·····	Ch. 20 Appropr	
□ GPR □ FED □ PRO □	PRS	□ SEG □ SEG-S	Ancotea	on. 20 Appropr	iauons
Assumptions Used in Arriving at Fiscal			I		
Under the proposed rule, a state	or I	ocal government w	ith a public wo	rks project	that costs more than \$33,000
but less than \$34,000 for a single	e-tra	de project or more	than \$164,000	but less tha	n \$168,000 for a multi-trade
project will not be covered by th	e pr	evailing wage requi	rement.		
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Long-Range Fiscal Implications				-	
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Agency/Prepared by: (Name & Phone No	o.)	Authorize	d Signature/Telep	hone No.	Date / /
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